

Establishing Terms with Customers on Account

You own your own Restaurant Supply Company. You sell mostly industry quality and sized products (Walk in Refrigeration, Freezers, Ovens, Dishwashers, High Quantity Plates, etc...) Most of the equipment purchased by your customers tends to be on account.

Because your business is much smaller than other major suppliers you need to be aware of your clients credit history and ability to pay off their accounts to be successful. To make sure that payment occurs as describe what would be your procedures be when dealing with customer accounts.

1. Write your Terms of Sale for a Customer with:

Good Credit -

Average Credit -

Poor Credit -

2.) Would you require Down Payments? If yes, what would you require? If not, why wouldn't you?

3.) Besides looking up a business' credit history through credit reporting agencies, what are some other methods you could gather information about a business' ability to repay?

4.) If one of your accounts, that has a good credit history, has not paid their account, what would be some of your ways of going about collecting on their account. List, in order, steps you would take?